GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Mines and Minerals – Mining Lease granted for Bauxite over an extent of 152.000 Hactares in Reserve Forest area in Chintapalli R.F., Araku (M), Visakhapatnam District in favour of M/s APMDC Ltd. for a period of Thirty (30) years – Revocation of Mining Lease – Orders – Issued.

INDUSTRIES, INFRASTRUCTURE, INVESTMENTS AND COMMERCE (M.II) DEPARTMENT

G.O.MS.No. 81 Dated: 26-09-2019

Read the following:

1. G.O.Ms.No.23, Industries & Commerce (M.III) Dept., Dt.21.01.2008.
2. Director of Mines & Geology's e-file No. **File No:** INC04-11027(44)/4/2019-R I SEC-DMG. Dt.29.07.2019.

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ORDER:

In the G.O. first read above, Government had granted a Mining Lease for Bauxite over an extent of 152.000 Hactares in Reserve Forest area in Chintapalli R.F., Araku (M), Visakhapatnam District in favour of M/s Andhra Pradesh Mineral Development Council Limited for a period of Thirty (30) years, subject to obtaining Forest Clearance and also prior clearances of Consent for Establishment from A.P. Pollution Control Board, Public Hearing and Environmental Clearances from MoEF, GoI, as per the Notification No.S.O. 1533, dated 14.09.2006 and subject to satisfaction of the provisions of the Mines & Minerals (Development & Regulation) Act, 1957 and the M.C. Rules, 1960 and the rule made under in general, and further satisfaction of all other Acts and Rules applicable in this regard and also subject to the conditions in Form-K prescribed under the Mineral Concession Rules, 1960 and to the additional conditions specified in the Appendix to the said order. Further, among other conditions specified in the said G.O., the grantee should execute the lease deed within the time limit prescribed in rule 31 of the Mineral Concessions Rules, 1960.

2. In order to secure the raw material of bauxite for the purpose of establishing alumina plant and smelter in the State of Andhra Pradesh, the GoAP have entered in to an MoU with M/s Jindal South West Holdings Ltd. (M/s JSWHL) on 01.07.2005 to make use of the bauxite reserves available in the State. Accordingly, Government have issued orders granting (3) mining leases for Bauxite, in Visakhapatnam district, in favour of APMDC Ltd., and the details are as follows:

Sl.No.	Government Order No. & Date	Location	Extent
(1)	G.O.Ms.No.22, Ind. & Com. (M.III) Dept., Dt.21.01.2008.	Rakthakonda village Ananthagiri RF	113.192 Ha (53.667 Ha in RF + 59.525 Ha Revenue Land)
(2)	G.O.Ms.No.23, Ind. & Com. (M.III) Dept., Dt.21.01.2008	Chittamgondi RF Araku Mandal	152.000 Ha
(3)	G.O.Ms.No.24, Ind. & Com. (M.III) Dept., Dt.21.01.2008.	Galikonda village RF Ananthagiri Mandal	93.886 Ha

The grant of subject Mining Lease made in favour of M/s APMDC Ltd., is at S.No.2 of the above table.

3. Later, M/s APMDC Ltd. vide their Lr. Dt.10.10.2014 have informed GoAP that the CAG of India have raised certain objections in their Annual Report of 2013 with regard to profit and equity share and hence the VC&MD, APMDC has decided to

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withdraw the Bauxite Supply Agreement (BSA). By considering the above proposal of APMDC, the Government vide G.O.Ms.No.45, Dt.06.04.2016, had withdrawn the MoU entered by GoAP with M/s Jindal South West Holdings Ltd.(M/s JSWHL). Aggrieved by the said orders of the GoAP, M/s Jindal South West Holdings Ltd.(M/s JSWHL) filed W.P. No.24284 of 2016 before the Hon'ble High Court of AP, which is pending for disposal.

4. In the reference 2nd read above, the Director of Mines & Geology has reported that M/s APMDC Ltd., did not obtain CFO for the mines and erect boundary pillars and fencing as per the conditions in the Forest Clearance orders and CFE due to serious security problems in the wake of killing of few persons by Maoists who are opposing bauxite mining. Further the DMG has stated that M/s APMDC Ltd. has failed to execute the lease deed within the time limit of six months, as specified in Rule 31 of the Mineral Concession Rules,1960 and no extension of time was granted by the Government in favour of M/s APMDC Ltd., for execution of the Lease Deed in respect of the subject lease.

5. Meanwhile, the Ministry of Mines, Government of India, issued Mines & Minerals (Development And Regulation) Amendment Act ,2015 and Mineral (Other than Atomic and Hydro Carbon Energy Minerals) Concession Rules 2016 . As per section 10A(2)(C) of the Mines & Minerals (Development and Regulation) Amendment Act, 2015, where the Central Government has communicated previous approval as required under sub-section (1) of section 5 for grant of mining lease, or if a letter of intent (by whatever name called) has been issued by the State Government to grant a mining lease , before the commencement of the Mines and Minerals (Development and Regulation) Amendment Act,2015 , the mining lease shall be granted subject to fulfillment of the conditions of the previous approval or of the letter of intent within in a period two (2) years from the date of Commencement of the said Act. As per sub- rule (11) of Rule 7 of the Mineral (Other than Atomic and Hydro Carbon Energy Minerals) Concession Rules, 2016, the state Government shall execute a mining lease deed with the applicant in the format specified in Schedule VII within ninety (90) days of fulfillment of the conditions specified in sub-rule (10) and if no such deed is executed within the said period due to any default on the part of the applicant, the state government may revoke the order granting the lease and in that event the fee paid under sub-rule (3) shall be forfeited to the state government.

6. The Director of Mines & Geology, Andhra Pradesh has, therefore, recommended for revocation of the subject mining lease, granted in favour of APMDC Ltd., vide reference first read above, in accordance with sub-rule (11) of Rule 7 of the Mineral (Other than Atomic and Hydro Carbon Energy Minerals) Concession Rules, 2016.

7. The proposals of the Director of Mines & Geology have been examined. In terms of the grant of lease made in favour of M/s APMDC over the subject area vide G.O first read above, M/s APMDC Ltd., was obligated to secure forest clearances and consent for establishment from competent authorities. The said conditional grant made vide G.O. first read above could only be treated as an in-priniciple consent for grant of lease or Letter of intent which did not fructify in to a clear grant of lease in favour of M/s APMDC Ltd., with in the allowed period of two (2) years by virtue of section 10A(2) (c) of Mines & Minerals (Development and Regulation) Amendment Act, 2015, which was over by 11.01.2017. The disability of M/s APMDC in proceeding further in securing of compliances as indicated in the initial conditional grant order arose on account of impossibility of performance due to recurring acts of violence in the area because opposition to the prospect of Mining operations in Tribal areas. There were abductions and violent killings which continue unabated to the extent of the murder of one sitting MLA and one former

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MLA who were considered as supportive of the mining. The local bodies and the tribal advisory council opposed and continue to oppose the prospect of Mining operations as of today rendering the operations unsafe and unviable in the above context. By operation of the law as well as on account of the supervening impossibility of performance of the mining operations in the wake of continued violent agitations against Bauxite Mining, the lease operations can not be conducted in the area and therefore the earlier conditional grant order issued vide G.O. first cited have now become non operative due to the cumulative effect of all the circumstances stated above.

8. After careful examination of the matter, Government hereby revoke the Mining Lease granted for Bauxite over an extent of 152.000 Hectares in Reserve Forest area in Chintapalli R.F., Araku (M), Visakhapatnam District in favour of M/s Andhra Pradesh Mineral Development Council Limited, for a period of thirty (30) years vide G.O. first read above, in accordance with sub-rule (11) of Rule 7 of the Mineral (Other than Atomic and Hydro Carbon Energy Minerals) Concession Rules, 2016.

9. The Director of Mines & Geology, Andhra Pradesh, Ibrahimpatnam, Vijayawada shall take necessary action,
accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

K. RAMGOPAL
SECRETARY TO GOVERNMENT (MINES)

To
The VC & MD, M/s Andhra Pradesh Mineral Development Council Limited,
Kanuru (V), Vijayawada.
The Director of Mines & Geology, Andhra Pradesh, Ibrahimpatnam.
Copy to: The Deputy Director of Mines & Geology, Visakhapatnam.
The Assistant Director of Mines & Geology, Visakhapatnam.
The Collector, Visakhapatnam.
The Secretary to Government of India, Ministry of Mines, Shastry Bhawan,
New Delhi.
The Controller General, Indian Bureau of Mines, Nagpur.
The Director General, Mines Safety, Dhanbad, Bihar.
The Regional Controller of Mines, Hyderabad Region, Kawadiguda, Secunderabad.
The PS to Minister (PR&RD and M&G).
The PS to Secretary to CM.
The Law (H) Department.
Sf/sc (File No. 19406/M.II(1)/2016-Part(1))(Comp.No.150853)

//FORWARDED :: BY ORDER//

SECTION OFFICER